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15 MAR 1966

DD/S&T 102-66

MEMORANDUM FOR: Executive Director-Comptroller

SUBJECT: Proposed Agency Program and Goals Structure

REFERENCE:

- A. Memo to DD/S&T from D/PPB, dated 21 January 1966, Subject: "RD&E Categories"
- B. Memo to DD/S&T from Ex. Dir.-Comp., dated 25 January 1966, Subject: "The CIA Combined Program Call (FY 1967-1972)"

1. I feel that you should be aware of a disagreement between the Office of Planning, Programming and Budgeting and this Directorate over the structure of the Agency's program goals for Research and Development. This disagreement, which at the moment may not be serious, will have a significant impact on the long-term planning and control processes which I hope to establish within this Directorate.

2. The Agency program structure, as now approved, reflects the major activities of the Agency, i. e., Collection of Intelligence, Production of Intelligence, Information Processing and Exploitation, Research and Development Engineering, Covert Action and Program-wide. It is within the Research and Development activity that the disagreement arises.

3. My senior officers and I devoted a great deal of time and effort to the development of program subcategories and elements which would reflect accurately the Research and Development activities of this Directorate. However, it would seem that in order to reduce the number of subcategories, O/PPB has settled more or less arbitrarily upon subcategories within the R&D area which have no particular meaning to us. In the long run, this probably will not

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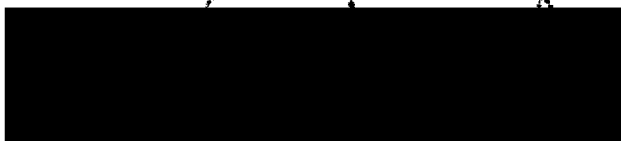
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provide the DCI with the information he should have to fully appreciate the importance and relationships of the R&D activities in which we are engaged. Not only is their breakdown uninformative in terms of the areas in which we are making our major efforts, but it also relegates very significant programs into a subelement category which is inconsistent with the importance of the program. I recognize that it might be desirable to accumulate costs in terms of R&D efforts in the areas proposed by O/PPB. However, it seems to me that this is a procedural accounting "tail" which should not be permitted to wag the goal/program planning/control "dog".

4. With application of our proposed breakdown to the Agency's program/budget structure, we will be able to provide better reporting and execute more sophisticated planning and control within the Research and Development activity area. I intend, therefore, to continue to develop and to operate within the structure which we have recommended. If necessary, we will make the effort to re-assemble these inputs as requested by D/PPB. However, the continuation of this more or less artificial approach will make it more difficult to explain, relate, and justify our programs and budgets later on than it would be if we were all "transmitting and receiving on the same frequency."

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Deputy Director
for
Science and Technology

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